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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

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**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/17 AND ENDING 12/31/17  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**NAME OF BROKER-DEALER: **Commonwealth Advisors, Inc.**

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

**1017 Mumma Road, Ste 302**

(No. and Street)

**Lemoyne****Pa****17043**

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Renee Lieux 7177311700

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Goldman & Company, CPA's, P.C.**

(Name - if individual, state last, first, middle name)

**316 Alexander Street, Ste 4****Marietta****GA****30060**

(Address)

(City)

(State)

(Zip Code)

**CHECK ONE:**

Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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## OATH OR AFFIRMATION

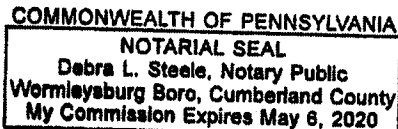
I, Renee Lieux, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Commonwealth Advisors, Inc., as of December 31, 2017, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

Renee Lieux  
Signature

FINOP

Title

Debra L. Steele  
Notary Public



This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

**COMMONWEALTH ADVISORS, INC.**

FINANCIAL STATEMENTS FOR THE YEAR ENDED  
December 31, 2017  
AND REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

# **COMMONWEALTH ADVISORS, INC.**

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder of  
Commonwealth Advisors, Inc.

### Opinion on the Financial Statements

We have audited the accompanying statement of financial condition of Commonwealth Advisors, Inc as of December 31, 2017, the related statements of operations, changes in shareholder's equity and cash flows for the year ended December 31, 2017 and the related notes and schedules 1, 2 and 3 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of Commonwealth Advisors, Inc as of December 31, 2017, and the results of its operations and its cash flows for the period ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.


### Basis for Opinion

These financial statements are the responsibility of Commonwealth Advisors, Inc's management. Our responsibility is to express an opinion on Commonwealth Advisors, Inc's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the company in accordance with the U.S Federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### Supplemental Information

The schedule's 1, 2, and 3 have been subjected to audit procedures performed in conjunction with the audit of Commonwealth Advisors, Inc's financial statements. The supplemental information is the responsibility of Commonwealth Advisors, Inc's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the schedule's 1, 2, and 3 are fairly stated, in all material respects, in relation to the financial statements as a whole.



We have served as the Company's auditor since 2015.

Goldman & Company, CPA's, P.C.  
Marietta, Georgia  
February 27, 2018

goldman  
COMMONWEALTH ADVISORS, INC.

# **COMMONWEALTH ADVISORS, INC.**

## **STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2017**

### **ASSETS**

<b>CURRENT ASSET:</b>	
Cash & Cash Equivalents	\$ 20,191
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 20,191</b>
<b>COMPUTER AND EQUIPMENT</b>	
Less accumulated depreciation	\$ 6,336
Computer and equipment - net	\$ (6,336)
<b>OTHER ASSET - deferred tax asset</b>	<b>15,675</b>
<b>TOTAL ASSETS</b>	<b>\$ 35,866</b>

### **LIABILITIES AND STOCKHOLDER'S EQUITY**

<b>SHAREHOLDER'S EQUITY:</b>	
1,000 shares issued and outstanding at par value of \$0	
Additional paid-in capital	\$ 123,825
Deficit	\$ (87,959)
<b>TOTAL STOCKHOLDER'S EQUITY</b>	<b>\$ 35,866</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$ 35,866</b>

The accompanying notes are an integral part of these financial statements.

# **COMMONWEALTH ADVISORS, INC.**

## **STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>REVENUE:</b>	<b>\$ 60,000</b>
<b>OPERATING EXPENSES:</b>	
Audit Fees	\$ 7,223
Regulatory fees	2,433
Office supplies	14
Accounting	350
Rent	1,743
Technology	3,113
Professional Fees	49,400
Insurance Expense	1,037
Total expenses	<b>\$ 65,313</b>
<b>NET OPERATING LOSS</b>	<b>\$ (5,313)</b>
<b>INCOME TAX BENEFIT</b>	<b>\$ 782</b>
<b>NET LOSS</b>	<b>\$ (4,531)</b>

The accompanying notes are an integral part of these financial statements.

## **COMMONWEALTH ADVISORS, INC.**

### **STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY FOR THE YEAR ENDED DECEMBER 31, 2017**

	Shares Common Stock	Additional paid- in capital	Retained earnings (Accumulated deficit)	Total
Balance, December 31, 2016	1,000	\$ 123,825	\$ (73,103)	\$ 50,722
Capital contribution			(10,325)	(10,325)
Net Loss			(4,531)	(4,531)
Balance, December 31, 2017	1,000	\$ 123,825	\$ (87,959)	\$ 35,866

The accompanying notes are an integral part of these financial statements.



# **COMMONWEALTH ADVISORS, INC.**

## **STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2017**

<b>OPERATING ACTIVITIES:</b>	
Net Loss	\$ (4,531)
Adjustments to reconcile net income to net cash used by operating activities:	
Deferred Tax Asset	(782)
Net cash used by operating activities	<b>\$ (5,313)</b>
<b>FINANCING ACTIVITIES:</b>	
Capital Distribution	(10,325)
Net cash used by financing activities	<b>\$ (10,325)</b>
<b>NET DECREASE IN CASH</b>	<b>\$ (15,638)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>35,829</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 20,191</b>

The accompanying notes are an integral part of these financial statements.

# **COMMONWEALTH ADVISORS, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **1 ORGANIZATION AND NATURE OF BUSINESS**

Commonwealth Advisors, Inc. (the Company) is a broker-dealer registered with the Securities and Exchange Commission (SEC) and a member of the Financial Industry Regulatory Authority, Inc. (FINRA), effective October 10, 2011. The Company is incorporated under the laws of the State of Pennsylvania.

The Company is registered to engage in private placement of securities and merger and acquisition advisory services.

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Accounting**

The Company maintains its books and records on the accrual basis of accounting for financial reporting purposes, which is in accordance with U.S. generally accepted accounting principles and is required by the SEC and FINRA.

#### **Estimates**

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Company defines cash equivalents as highly liquid investments with original maturity dates of less than ninety days that are not held for sale in the ordinary course of business.

#### **Property and Equipment**

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Assets lives are five years for computers and equipment. The assets were fully depreciated in 2016.

#### **Income Taxes**

The Company files income tax returns in with the U.S. Federal jurisdiction and with the Commonwealth of Pennsylvania.

The amount of current or deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Revenue Recognition**

The Company recognizes revenue upon satisfaction of performance obligations under contract. The Company provides merger and acquisition services to its clients. The Company is evaluating new revenue recognition standards and will implement as required.

The Company recognizes and measures its unrecognized tax benefits in accordance with Accounting Standards Codification 740 (ASC 740), Income Taxes. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The Company has no uncertain tax positions at year end.

### **Concentration of Credit Risk**

The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash.

## **3 RELATED PARTY TRANSACTION**

The Company has an expense sharing agreement with an entity under common control (the "Affiliate"). Under the agreement the Company pays the Affiliate for specific office and administrative services provided by the Affiliate. For the year-ended December 31, 2017 there was \$1,743 paid to the Affiliate for rent.

The Company paid \$52,000 to related parties and it is included with professional fees on the Statement of Operations.

As of December 31, 2017, the Company had no amount due to the Affiliate. The term of this agreement is through May 1, 2018. The 2018 liability is \$1,743.

## **4 COMMITMENTS AND CONTINGENCIES**

The Company has evaluated commitments and contingencies in accordance with Accounting Standards Codification 450, Contingencies (ASC 450) and Accounting Standards Codification 440, Commitments (ASC 440). Management has determined that no significant commitments and contingencies exist as of December 31, 2017.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 5 INCOME TAXES + DEFERRED TAX ASSET

The current and deferred portions of the income tax expense included in the Statement of Operations as determined in accordance with ASC 740 is as follows:

	Current	Deferred	Total
Federal	\$ -	\$(782)	\$(782)

The Deferred Tax Asset is comprised of Net Operating Loss carry forwards as of December 31, 2017. They expire as follows:

Expiration year	Amount
2031	\$ 20,100
2032	\$ 48,348
2033	\$ 26,645
2034	\$ 5,146
2035	\$ 2,039
2037	\$ 5,313
	<u>\$ 107,591</u>

### 6 CONCENTRATIONS

The majority of the Company's revenue was earned from one customer in 2017.

### 7 NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2017, the Company had net capital of \$20,191, which was \$15,191 in excess of its required net capital of \$5,000. The Company's percentage of aggregate indebtedness to net capital was 0%.

### 8 SUBSEQUENT EVENTS

The Company evaluated subsequent events through February 27, 2018, the date its financial statements were issued. The Company did not identify any material subsequent events requiring adjustment to or disclosure in its financial statements.

# COMMONWEALTH ADVISORS, INC.

## SUPPLEMENTARY SCHEDULE I

### COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION AS OF DECEMBER 31, 2017

SCHEDULE I	
<b>TOTAL STOCKHOLDER'S EQUITY QUALIFIED FOR NET CAPITAL</b>	<b>\$ 35,866</b>
<b>DEDUCTIONS AND/OR CHARGES:</b>	
Non-allowable assets:	
Deferred tax asset	(15,675)
<b>NET CAPITAL</b>	<b>\$ 20,191</b>
<b>AGGREGATE INDEBTEDNESS -</b>	
Accounts payable	0
<b>COMPUTATION OF BASIC NET CAPITAL REQUIREMENT -</b>	
Minimum net capital required	\$ 5,000
Excess net capital	\$ 15,191
Net Capital in excess of the greater of 10% of AI or 120% of minimum net capital requirement	\$ 14,191
Percentage of aggregate indebtedness to net capital	0.00%
<b>RECONCILIATION WITH THE COMPANY'S COMPUTATION (INCLUDED IN PART II OF FORM X-17A-5 AS OF DECEMBER 31, 2017)</b>	
There is no significant difference between the net capital in Part IIA of Form X-17A-5 and the Net Capital above.	

The accompanying notes are an integral part of these financial statements.

# **COMMONWEALTH ADVISORS, INC.**

## **SUPPLEMENTARY SCHEDULES II & III**

### **SUPPLEMENTARY SCHEDULE I**

#### **COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934 pursuant to paragraph (k)(2)(i) of the rule.

### **SUPPLEMENTARY SCHEDULE II**

#### **INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION**

The Company is exempt from the provisions of Rule 15c3-3 under the Security Exchange Act of 1934 pursuant to paragraph (k)(2)(i) of the rule.

The accompanying notes are an integral part of these financial statements.

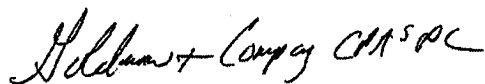
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors of  
Commonwealth Advisors, Inc.

We have reviewed management's statements, included in Commonwealth Advisors, Inc.'s Annual Exemption Report, in which (1) Commonwealth Advisors, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Commonwealth Advisors, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: k(2)(i) (the "exemption provisions") and (2) Commonwealth Advisors, Inc. stated that Commonwealth Advisors, Inc. met the identified exemption provisions throughout the most recent fiscal year without exception. Commonwealth Advisors, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Commonwealth Advisors, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.



Goldman & Company, CPA's, P.C.  
Marietta, Georgia  
February 27, 2018

goldman  
A COMPANY OF CPAS

# COMMONWEALTH ADVISORS, INC.

## EXEMPTION REPORT

YEAR ENDED DECEMBER 31, 2017

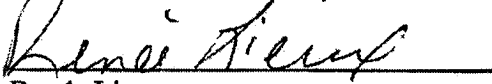
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We, as members of management of Commonwealth Advisors, Inc. (the Company) are responsible for complying with 17 C.F.R §240.17a-5, "Reports to be made by certain brokers and dealers". We have performed an evaluation of the Company's compliance with the requirements of 17 C.F.R §240.17a-5 and the exemption provisions in 17 C.F.R §240.15c3-3(k) (the "exemption provisions"). Based on this evaluation we make the following statements to the best knowledge and belief of the Company:

1. We identified the following provisions of 17 C.F.R §15c3-3(k) under which the Company claimed an exemption from 17 C.F.R §240.15c3-3: (k)(2)(i).
2. We met the identified exemption provisions throughout the most recent fiscal year ended December 31, 2017 without exception.

The Company is exempt from the provisions of 17 C.F.R §240.15c3-3 of the Securities Exchange Act of 1934 (pursuant to paragraph (k)(2)(i) of such Rule) as the Company carries no margin accounts and does not hold funds or securities for, or owe money or securities to, customers.

Commonwealth Advisors, Inc.



Renée Lieux

FINOP

February 19, 2018